

## WORLD GOVERNANCE SURVEY

### Preliminary Analysis: Peru

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The Peruvian Republic has been a democratic state since 1979, run by a constitutional executive branch headed by an elected president, a unicameral legislature and a separate judiciary power. The Congress of the Republic is the autonomous and sovereign institution that represents the legislative power, ruled according to the 1993 Political Constitution.

Even though Peru returned to democracy only few years ago (1980) after a military regime that lasted thirteen years, recently it has experienced a very unstable political phase hardly trying to begin a period of democratic stability. Just a few months ago, the country went through a political crisis in which the ten-year authoritarian regime presided by the ex president Alberto Fujimori ended. The current interim government is meant to run the country until July 28<sup>th</sup>, when the next elected president will take office. Its main task is to ensure the fairness of the presidential and parliamentary elections and to dismantle the corruption web knitted by the former government.

The last years of Fujimori's regime were characterized not only by an authoritarian undemocratic rule, but also by a harsh period of recession. These facts prove the validity of the proposed assumption that the *quality of governance* becomes a critical factor in explaining development.

For the purpose of this survey, thirty-seven interviews with leaders of the private and public sector were carried out. The experts provided valuable data on their perceptions of governance in Peru. The proposed approach to governance outlined by the data provided by well -informed individuals corroborate the hypothesis that Peru is right now in a critical conjuncture that will determine the future viability of its governance. The examination of variables concerning principles of participation, fairness, transparency, efficiency, decency and accountability in the political process, provides an important instrument to understand the challenges the incoming government will have to confront in Peru in order to provide the international community and its own citizens the feeling of a more democratic and honest country.

As an overall conclusion from the survey, there is a consensus about the need of greater transparency and an active fight against corruption. The scores in the managerial, regulatory and adjudicatory dimensions offer outstanding support in this direction. In contrast, the general perception of the population regarding the socializing dimension is positive, since they feel alleviated from the media control exercised by the former

government. In the same way, the aggregating dimension has shown an improvement, marking the end of the authoritarian regime. In relation to the executive dimension, there has been a relative advance, especially related to the armed forces subordination to civilian government; nevertheless, many reforms are still pending, particularly with impact on the extent to which leaders are encouraged to make tough decisions that are in the national interest.

This report is separated in four sections, which include the following issues related to the survey process:

1. The data collection process
2. The overall ratings of governance at the collective level and changes over time in perceptions
3. The Analytical Framework for the World Governance Survey
4. Annexes
  - a. Chronology of important facts
  - b. List of people interviewed

## 1. Data Collection

The data collection process of the World Governance Survey started in Peru at the beginning of January and was organized into six steps:

- Experts Identification
- Submit a letter informing the expert about the aim of the World Governance Survey (WGS) and asking for an appointment
- Send the WGS to the experts that agree to answer it and arrange interviews with them in the case they preferred being interviewed
- Follow up the WGS sent and ask for the responses
- Send the WGS to other experts in order to complete the minimum sample
- Schedule personal interviews to be able to complete the minimum data sample

At the beginning of the survey, the data collection process was assigned less time than actually required, since the complexity of gathering the information delayed the process. This result in itself is very representative of the lack of interest of the Peruvian Society in politics.

The first week of January, sixty-one experts were identified and asked about their inclination to answer the WGS through an interview. Almost all agreed to answer the WGS, but not in person. Only one of the 61 experts agreed to a personal interview. The reasons for this unavailability may be summarized as follows:

1. Many were involved in an election campaign
2. The fear of talking about politics, consequence of the persecution suffered by the well-informed people apposing Fujimori during his regime. Since the corruption and cooption network installed during Fujimori’s government is just beginning to collapse, people still feel intimidated by this subject. Alternatively, many people that supported Fujimori’s regime don’t want to talk because they are afraid the former opposition will take reprisals.
3. The most important one, the lack of importance people give to research work, specially related to politics.

The first WGS questionnaires were sent on the 10<sup>th</sup> of January and after five weeks of constantly calling the expert’s offices and asking for their answers, 7 interviews were conducted and 19 questionnaires were returned. Table 1 resumes this situation:

**Table 1**

	<b>Freq.</b>	<b>Percentage</b>
Interviews	7	26.92
Answered WGS	19	73.08
<b>Total</b>	<b>26</b>	<b>100%</b>

Table 2 shows the distribution of the WGS between the different categories of experts.

**Table 2**

<b>Groups</b>	<b>Number of experts interviewed</b>	<b>Percentage</b>
High-Ranking Civil Servants	3	11.54
Successful Entrepreneurs	6	23.08
Senior Judges or lawyers	4	15.38
Long-Parliamentarians or equivalent	4	15.38
Academics, consultant or policy advisors	4	15.38
Heads of Local NGO's	3	11.54
Editors or reporters from the Media	2	7.69
<b>Total</b>	<b>26</b>	<b>100%</b>

Due to the small return, other experts were identified in order to gather a minimum of 35 completed questionnaires. Additionally, 19 more experts representing every category, were asked for interviews.

Finally, 80 experts were asked to participate in this research. Table 3 summarizes the total distribution of interviews and returned questionnaires.

**Table 3**  
**Obtained Interviews**

	<b>Freq.</b>	<b>Percentage</b>
Interviews	14	37.84%
Answered WGS	23	62.16%
<b>Total</b>	<b>37</b>	<b>100%</b>

Additionally, table 4 resumes the distribution among the experts' categories at the end of the research.

**Table 4**

<b>Groups</b>	<b>Number of experts interviewed</b>	<b>Percentage</b>
High-Ranking Civil Servants	6	16.22
Successful Entrepreneurs	6	16.22
Senior Judges or lawyers	5	13.51
Long-Parliamentarians or equivalent	4	10.81
Academics, consultant or policy advisors	7	18.92
Heads of Local NGO's	4	10.81
Editors or reporters from the Media	5	13.51
<b>Total</b>	<b>37</b>	<b>100%</b>

Lastly, table 5 shows the percentage of experts in each category. Not surprisingly, the parliamentarian category is the one with the lowest percentage of response (27%), although it is one of the two categories with the highest number of targeted experts.

**Table 5**

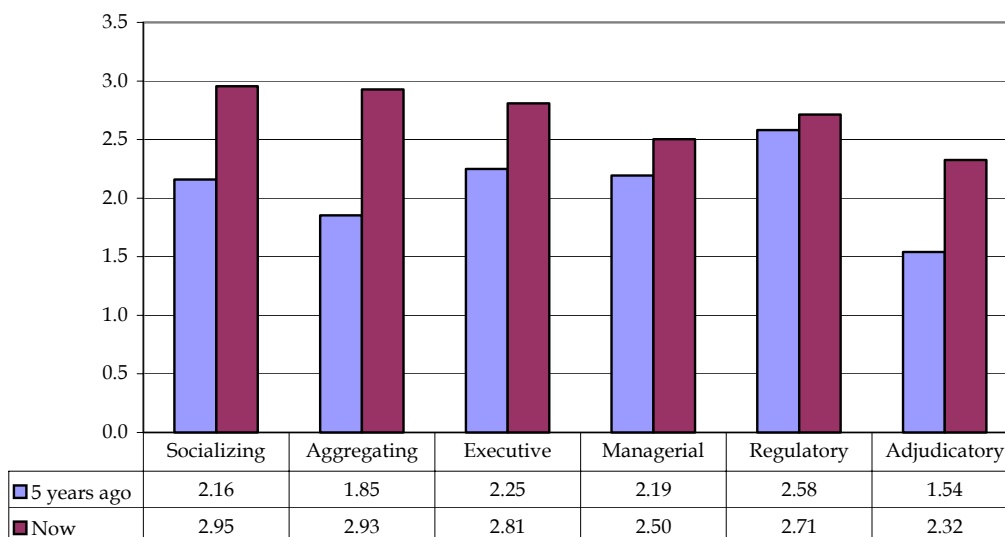
<b>Groups</b>	<b>Number of experts asked to participate in the project</b>	<b>Number of experts interviewed</b>	<b>Percentage</b>
High-Ranking Civil Servants	14	6	43%
Successful Entrepreneurs	8	6	75%
Senior Judges or lawyers	15	5	33%
Long-Parliamentarians or equivalent	15	4	27%
Academics, consultant or policy advisors	11	7	64%
Heads of Local NGO's	6	4	67%
Editors or reporters from the Media	11	5	45%
<b>Total</b>	<b>80</b>	<b>37</b>	<b>46%</b>

Another explanation for the low response rate of politicians, apart from the low representation of the congress, is the fact that almost each person in this category is running for office again, and this limits both the free time of this people and their inclinations to talk about politics.

**2. Overall ratings of governance at the collective level and changes in perceptions over time**

The functional dimensions of governance included in this survey are the Socializing Dimension, the Aggregating Dimension, the Executive Dimension, the Managerial Dimension, the Regulatory Dimension and the Adjudicatory Dimension. All of them have shown an improvement in the last 5 years, some changes have not been very significant, implying a weak tendency of improvement in the quality of governance. This can be seen in the following graph:

**Comparison of Scores for Each Dimension**



**Socializing Dimension**

Experts think that there was a low degree of freedom of speech five years ago, but a slight improvement has been noticed during the transitional government, up to a moderate level. The various considerations that experts considered when ranking the index should be taken into account:

- First, there is no doubt that the videos where Montesions appears corrupting people and public institutions in order to maintain the control of the media gave the feeling that the former government managed the media according to its needs. This reflects the inability of the population to receive accurate information and the failure of the media to reflect the opinions of different groups of society.
- Secondly, although now it is quite clear that most (if not all) the “Chicha”<sup>1</sup> newspapers were born during Fujimori’s regime in order to control the public opinion of the more marginal sectors of society, it is also true that historically

<sup>1</sup> Low budget newspapers directed to the poorest sectors of the population which were also very controversial in regards to the quality of their news reports.

there have never been newspapers for the ordinary citizens, therefore this newspapers improved the capacity of the majority of the population to be informed. On the other hand, in order to really reevaluate their impact, it will be necessary to also evaluate their quality of compensation for misinformation.

- For some experts, the information transmitted by the media “liberated” from the pressures of the former regime is still being controlled, but in the opposite direction. In their opinion, there is an absolute realignment of the media with the current government.

The first consideration is the one with most strength and the general perception of the population is a positive one, since they feel alleviated from the media control exercised by the former government. The following tables can help to clear up this point.

Table 6 and 7 show how five years before there was a very low freedom of speech and a strong control of the central government. In Table 6, for example, there are 27 experts that report the freedom of speech was low or very low, and 89% (24) of them report that the legislative power was controlled by the executive. Even more, and as shown in table 7, 100% of the experts that reported the freedom of speech was very low, also reported that the armed forces where not subordinated to the civil power.

**Table 6**

Freedom of Speech	Independence of the Legislative				Total
	Very low	Low	Moderate	Very high	
Very Low	9	0	0	1	10
Low	10	5	1	1	17
Moderate	0	6	1	2	9
Very high	0	1	0	0	1
<b>Total</b>	<b>19</b>	<b>12</b>	<b>2</b>	<b>4</b>	<b>37</b>

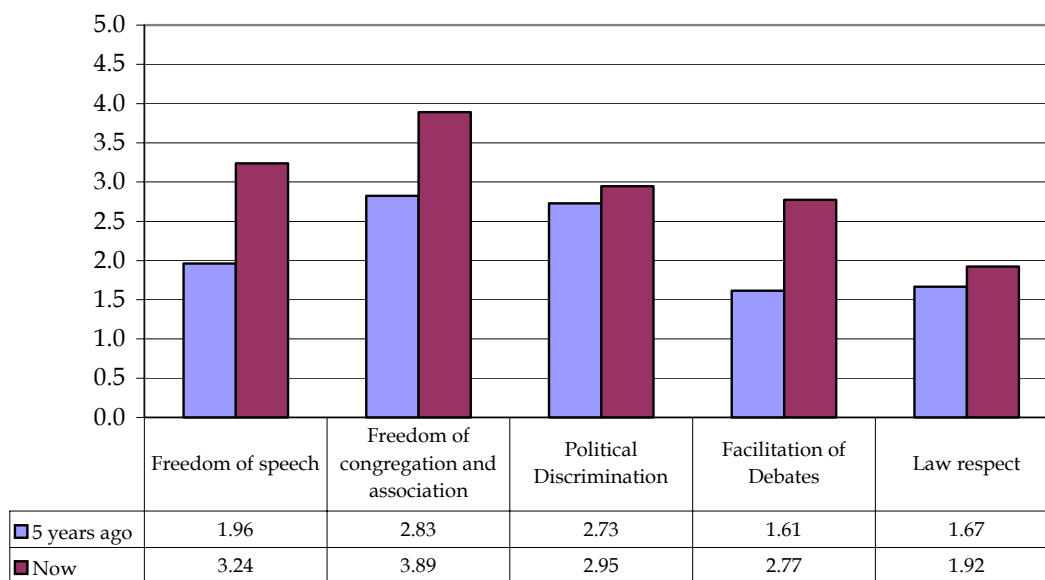
**Table 7**

Freedom of Speech	Armed Forces Subordination				Total
	Very low	Low	Moderate	Very high	
Very Low	8	1	1	0	10
Low	11	5	0	0	16
Moderate	3	3	2	1	9
Very high	0	0	1	0	1
<b>Total</b>	<b>22</b>	<b>9</b>	<b>4</b>	<b>1</b>	<b>36</b>

When we compare the responses for five years ago and now, from the 27 experts that reported the freedom of speech was very low and low five years ago, 22 (82%) of them indicate the level of the current freedom of speech is between moderate and high.

Another aspect that can give a light to the improvements that have taken place in the last years is the comparison of the experts’ opinion on socializing issues. The overall results show a relative improvement in the ability of the population to participate in the political process in Peru. This is illustrated in the total average score, which has increased from 2.16 to 2.95.

### Socializing Dimension



The five questions asked were about freedom of speech, freedom of pacific congregation and association, political discrimination, facilitation of debates and law respect.

First, when the experts answered the question related to freedom of pacific congregation and association they tended to separate it in two: the effort of Fujimori’s government to forbid the association and meeting of politics and well informed people that were against the regime, versus the complete freedom of common citizens to be able to meet and associate in any kind of group.

Second, in relation to the issue of discrimination in the participation in political processes, the results are more or less similarly moderate now and 5 years ago. The explanation lies in the fact that the various people interviewed agreed that this kind of discrimination exists in Peru due to differences in race, gender, religion, etc. Another group of people surveyed declared the contrary, that there is a positive racial discrimination in Peru (e.g. Toledo), and lastly, a final group argued that Peru is a country where most people are very poor and in that sense they are discriminated in



politics not because of racial or gender considerations, but because of structural problems related to culture and education.

Third, the facilitation of debates is an index<sup>2</sup> that has improved mildly due to the perception of authoritarianism that existed during Fujimori's regime. Currently, the people feel a moderate facilitation of debates is in place.

The next index that describes respect for the law has stayed at a low level as a consequence of the lack of a civic conscience all around Peru. The people surveyed agreed that this is a cultural problem highly correlated with education.

### **Aggregating Dimension**

Despite the improvement in this dimension, the degree of incorporation of citizens' interests in the political process is still very low and there are no strong signs of change in a more positive direction.

First, majority of experts agreed that the level of representation of the Legislative Power is low for both periods of time considered. The considerations taken into account to explain the value of this index are:

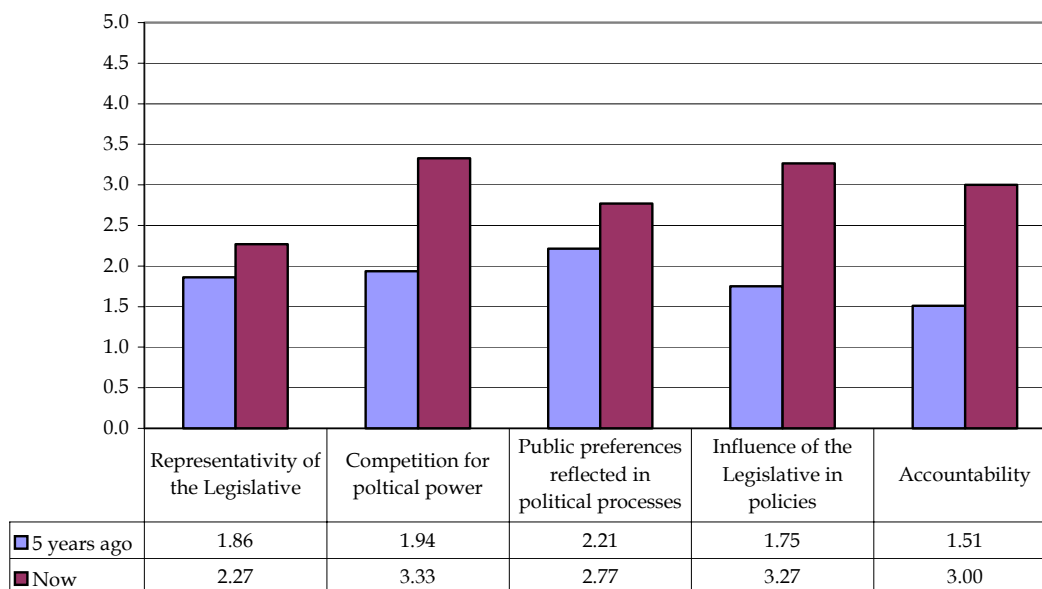
- Women participation in congress was considered to have improved by many due to the promulgation of the “Quotas Law” that forced the parliamentary lists to be composed of at least 25% women. However, many others thought this measure was meaningless since women participation has increased long ago and gender discrimination in the Congress no longer exists.
- Another consideration is the fact that since the approval of the 1993 Constitution, the elections for parliament representatives were organized through a system of “unique electoral district”.
- Finally, many people showed optimism in their answers referring to the current situation, since for the current elections the system will be based on a “multiple electoral district”.

The comparison between now and 5 years ago for this and all the other indexes reflects quite an important improvement in this dimension, since the average index has increased from 1.85 to 2.93. This can be appreciated in the following graph:

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<sup>2</sup> It should be noted that for this question the range is reversed and 1 is very high, while 5 is very low.

### Aggregating Dimension



In relation to the competition for political power, one of the considerations to take into account is the fact that most experts thought that in Peru there are no organized political parties and that the only competition that exists is between intermittent political groups that appear during election time and then dissolve. In this sense, they think the quality of the competition is very low, although the number of groups increases the rating.

Mainly, experts give a higher rating due to the fact that the authoritarian regime impelled the competition for power 5 years ago in a repressive way, for example using public entities as SUNAT against opposition candidates. Also, people perceived that 5 years ago there was no competition since Fujimori was an overwhelming winner thanks to his popularity, a popularity that no current candidate enjoys.

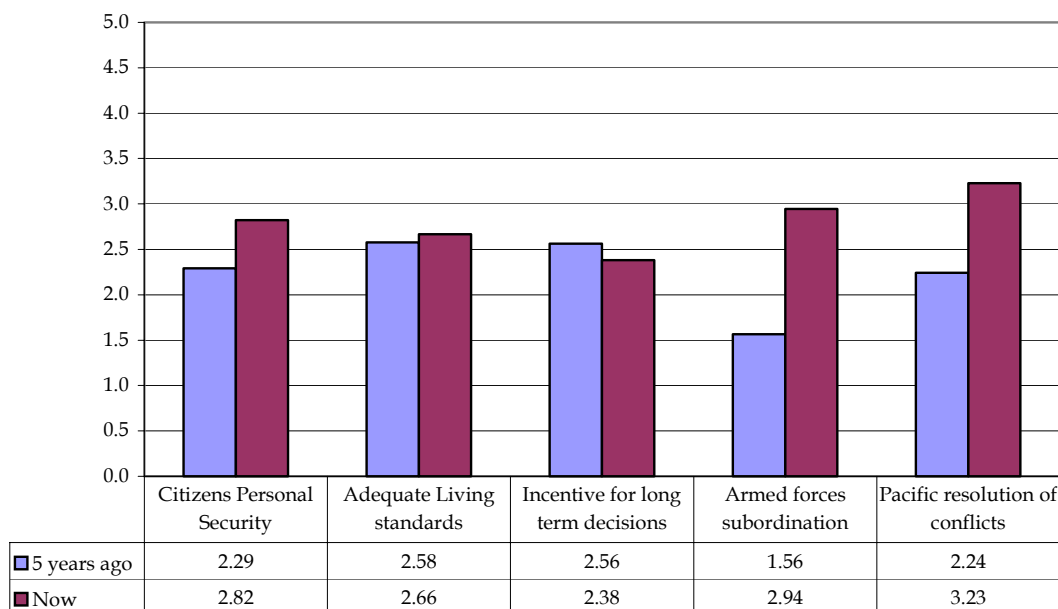
Additionally, the perception on the congress has not changed a lot, since the current parliament has been inherited from Fujimori's regime, and it will be changed only in July, when the situation is expected to take a different turn. Another problem faced here is that historically the Legislative Power has a bad reputation, not only because of the quality of its members, but because of the time it takes to approve a law.

Finally, the index related to accountability has slightly improved due to the fall of the authoritarian and corrupt government of Fujimori, that controlled the Judicial Power and therefore impelled the accountability of the congressmen that supported the regime.

### Executive Dimension

The comparison of the expert opinion on executive issues now and 5 years ago shows diverse results. There is a relative improvement in the executive dimension, specially related to the armed forces subordination to civilian government, even though the incentive for leaders to make decisions that are in the nation interests has decreased. In average, the total score has increased only from 2.25 to 2.81. This may be due to the fact that the questions related to the present time take into account the inability of commitment of the current interim government.

### Executive Dimension



The index reflecting government's commitment to ensure personal security increases from low to moderate. This is partly due to the priority of eliminating terrorism and the struggle against common delinquents imposed by Fujimori, and partly due to the repressive use of the state system against the people that opposed the government, i.e., arbitrary detentions and torturing.

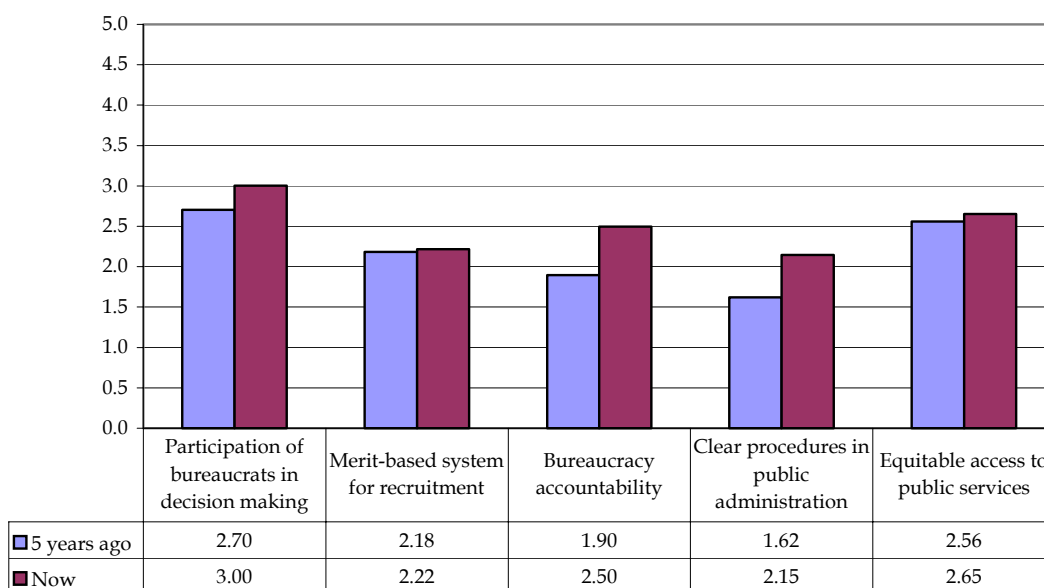
On the other hand, the index measuring the incentive for leaders to make decisions that are favorable for the nation interests in the long term was moderate for the two periods. This can be explained by the fact that the measures taken by Fujimori were very populists designed to have support during elections, so they didn't have long-term visions. However, Fujimori's regime was characterized for making tough decisions without taking into account political cost, e.g. signing the peace agreement with Ecuador.

The index related to the subordination of the armed forces has improved from low to moderate. There is no doubt of the protagonist role of the armed forces during Fujimori's regime, alternatively now the general feeling is that the rooting of the military men in power has not been disarmed completely yet.

### Managerial Dimension

The comparison of the expert opinion on managerial issues now and 5 years ago shows a slight improvement, with a low index that increases from 2.19 to 2.50. In this sense, the overall results show that there is lack of a civil service in Peru, that reassures the continuity of the policies and that makes the public career attractive and worthwhile.

### Managerial Dimension



In the first place, the index describing the participation of bureaucrats in decision making has a moderate average both now and 5 year ago. This is a consequence, on one hand, of the authoritarian nature of the former government that made public policies without consulting with the high bureaucracy. Also, the way the high bureaucracy was designated and fired interfered with their capacity of action. On the other hand, there are undeniable developments in certain institutions such as regulatory agencies of different national entrepreneur sectors, which may have given a professional drive in specific areas.

Table 8 illustrates a comparison between the perception of experts in subjects quite interrelated, such as the participation of bureaucrats in decision making and the armed forces subordination to civilian government. The negative perception on this issues is quite obvious.

**Table 8**

<b>Participation of bureaucrats in decision making</b>	<b>Armed forces subordination</b>				<b>Total</b>
	Very low	Low	Moderate	Very high	
Very Low	5	0	0	1	6
Low	7	2	0	0	9
Moderate	7	3	1	0	11
High	3	4	1	0	8
Very high	0	0	2	0	2
<b>Total</b>	<b>22</b>	<b>9</b>	<b>4</b>	<b>1</b>	<b>36</b>

Another issue important to mention is the merit-based system for recruitment into the civil services, which seems to be low nowadays and 5 years ago. This is a historical problem, however, and from the former government onwards it can be separated into two fields. The first one deals with public employees in general, where the situation has improved, and the second one refers to the high-level bureaucracy (as the advisors, where the trust relationship is the main motive for hiring people).

The level of accountability in public administration has improved since the corruption and inefficiency of the Judicial Authority and the control the former government had over it have started to disappear. The Judicial Power is not an instrument of pressure or a mechanism to grant favors any more.

**Table 9**

<b>Bureaucracy accountability</b>	<b>Clear procedures in public administration</b>			<b>Total</b>
	Very low	Low	Moderate	
Very Low	11	3	3	17
Low	6	5	0	11
Moderate	6	1	0	7
Very high	1	0	0	1
<b>Total</b>	<b>24</b>	<b>9</b>	<b>3</b>	<b>36</b>

Table 9 shows the relationship between this index and the level of the existence of clear procedures in the Judicial Power. The relationship between the perception of the

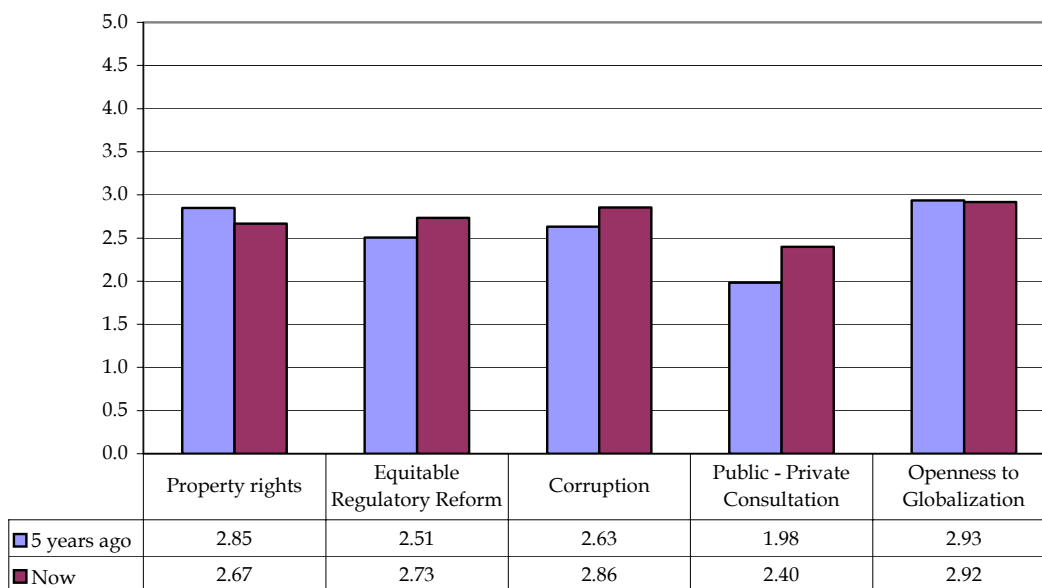
inefficiency of the Judicial Power and the low level of the bureaucracy accountability is quite evident

Finally, the index measuring the equitable access to public services is moderate now and 5 years ago. This is due to the recognition of the effort made by Fujimori’s regime to provide the majority of the population, specially the poorer sectors, with basic services.

### Regulatory Dimension

On average, all the indexes related to economics have the same moderate level of 5 years ago, - the total average score has increased from 2.58 to 2.71 - except public/private consultation, which has increased considerably. The experts’ opinion on regulatory issues reveals the perception of an improvement in the last years and a recognition of how critical the election of the next president will be for any possible redirection of actual policies.

### Regulatory Dimension



The property rights index maintains a moderate level as a consequence of the diverse measures taken by the former government. Although specific attacks against the property of people opposing the government took place, there was also a drive of handing over property titles for the poorer members of society.

Regarding economic regulations, most experts believe there is moderate equal treatment in the application of these rules to firms. The general perception is that governments always benefit firms closer to them. Secondly, the regulatory and supervisory agencies were used as tools for repression and control. However, many efficient regulatory agencies were created in the last regime.

In relation to the next index, most experts associated obtaining a commercial license with corrupt transactions.<sup>3</sup> In the same way, the index for public/private consultation shows a very low score since experts believe the governments have not promoted or institutionalized public/private consultation as a mechanism of economic policy implementation. For the last five years this is explained by the authoritarian character of the government and for nowadays by the inability of change and compromise of the current government due to its transitory nature. Table 10 shows the relation between this last index and the index on freedom of speech.

**Table 10**

<b>Public – Private Consultation</b>	<b>Freedom of Speech</b>				<b>Total</b>
	Very low	Low	Moderate	Very high	
Very Low	4	2	5	0	11
Low	4	10	2	1	17
Moderate	2	5	1	0	8
High	0	0	1	0	1
<b>Total</b>	<b>10</b>	<b>17</b>	<b>9</b>	<b>1</b>	<b>37</b>

### **Adjudicatory Dimension**

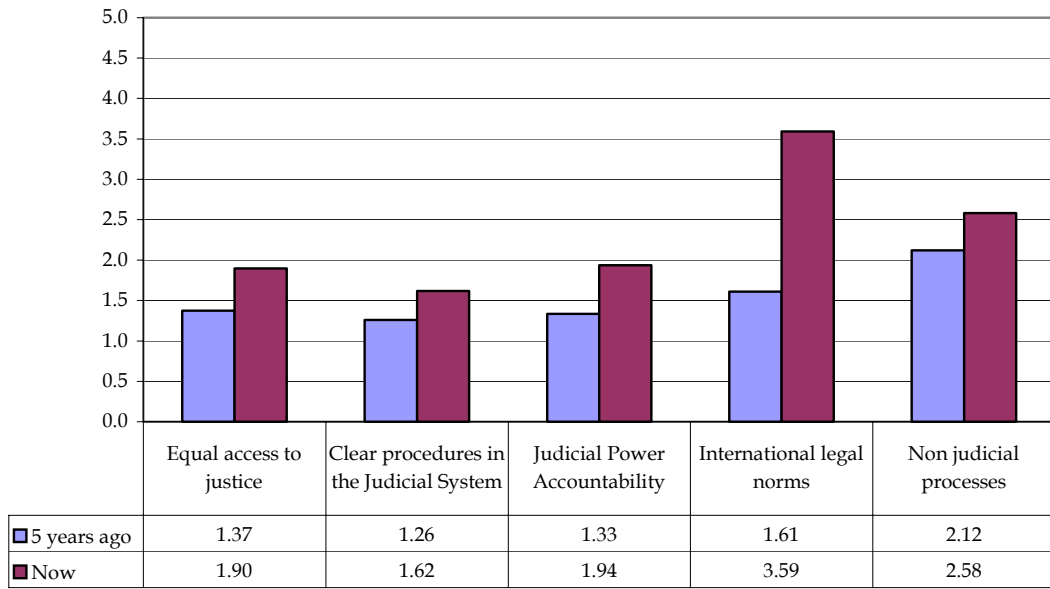
The last dimension obtained the lowest governance score and is considered to be one of Peru’s priorities for political reform. This low quality of governance is attributed to the corrupt and inefficient judicial processes, which have been subjected to political influence. Judicial officials’ incompetence and lack of accountability reinforce this negative perception. All experts agreed that the judicial system should be changed completely, and that a reinforcement of the tendency of justice administration privatization and the development of conciliation centers should take place.

On average, the total score increased from 1.54 to 2.32, although this increase is quiet fictitious, since it is the consequence of the exposition of the “Vladivideos” where the corruption of the former Judicial Power is exposed.

The only index that increased significantly was the one related to international legal norms. This is due, in the first place, to efforts of the former government not to appear as a dictatorship. In this sense, it adopted the international legal norms as much as it could. However, when it had no other choice it opted to act in a unilateral way and to make rushed decisions. Secondly, the former government quitted the Inter-American Court Human Rights breaking, in this sense, international treaties. Finally, Peru returned to the Inter-American Court Human Rights when president Fujimori was removed from office; this return influenced the increase of this index.

<sup>3</sup> It should be noted that for this question the range is reversed and 1 is very high, while 5 is very low.

### Adjudicatory Dimension





### 3. Analytical Framework for the World Governance Survey

To be able to understand the current situation that Peru is going through it is necessary to review the recent events that Peru has experienced in the last decade. These events have had a strong effect in the quality of governance in Peru, and have left a shameful legacy of corruption, that has discredited profoundly political institutions and has rendered citizens very cynical and skeptical in the face of democratic processes.

#### **Political and Social Context**

The political panorama in Peru has been quite hectic in the last few years. Only a few months ago, the country got rid of an authoritarian regime presided by the ex-president Alberto Fujimori. This regime lasted more than 10 years. Alberto Fujimori reached power in 1990 as the head of an “independent political group” (Cambio 90), due to the discredit situation of the traditional political parties. They were in a critical situation after not being able to deal with domestic problems. At the end of 1990, Peru was characterized by an accelerating hyperinflation and huge problems with citizen insecurity caused by terrorism.

#### **Chart 1 Alan García Legacy.**

Economic figures of the APRA government, a mixture of an unmeasured intervention of the private markets and weak macroeconomic policies

##### Consequences of the program ( 1985 – 1990)

1. Accumulated inflation of 2' 178, 481%, which meant that prices raised almost 22 thousand times in average.
2. The Gross National Product DECREASED in 7.4%, which led the GNP per capita of 1988 to be not only the lowest of the decade, but also to reach comparable levels as those of the sixties.
3. The agriculture production DECREASED in 22% and the manufacture production grew only 2%.
4. Foreign investment reached only US\$ 80 millions.
5. The real liquidity of the financial system DECREASED in 80%, which reduced the potential of financial intermediation.
6. Net International Reserves (NIR) FELL from US\$ 894 millions to US\$ -105 millions
7. External debt INCREASED from US\$ 13 000 millions to US\$ 20 000 millions. This deplorable performance transformed into LESS income for the population and WORSE levels of welfare.

8. While in 1984, 51% of the population of Metropolitan Lima was adequately employed, in 1989 ONLY 18% enjoyed that condition.
9. Real wages decreased in more than 30% between July-1985 and July-1990.
10. In five years of the APRA government, 3500 strikes took place. These strikes meant a lost of 90 000 human work hours.
11. In the citizen security issue, 13 381 terrorist attacks occurred.

In the 1990 elections a second round took place between the candidate that led the national surveys, the writer Mario Vargas Llosa, and an until that moment unknown Alberto Fujimori, ex-vice chancellor of the Universidad Nacional Agraria, La Molina.

The writer Vargas Llosa was identified as a classic candidate of the white Peruvian oligarchy, which historically has dominated the political processes in Peru. On the contrary, the engineer Fujimori was the son of a Japanese immigrant who belonged to the Peruvian middle urban class. He had a poor command in oratory and communication skills unlike the traditional politicians of the seventies and eighties, which emphasized the political discourse and political party manifestations.

The election of Fujimori initiated a decade characterized by the “boom of the independent political groups”. The recipe consisted in no belonging to any political party and to be sold as a technocrat. Another requirement was the creation of groups or political movements according to the juncture in order to face a particular process; these groups usually disappear for the next process or are renamed and changed in accordance with the preferences of the electors that are perceived by the group leader.

Basically, Fujimori won the 1990 election due to his opposition to the economic stabilization policy (shock) which the candidate Vargas Llosa openly argued was the required policy to rescue the nation from the economic chaos. Fujimori represented –at least in words - the contrary and less orthodox option; the majority of the population, poor and suffering the crisis consequences, elected Fujimori because of the panic to the possible short run effects that the economic shock stated by Vargas Llosa might have caused.

Fujimori applied the same program outlined by Vargas Llosa; this was one of the first actions which established the path for the following ones: acting without considering the promises and with a lack of respect to the law and the game rules. This conduct was viewed by Fujimori as political pragmatism.

Fujimori identified more with the people than the traditional politicians that still dominated the Congress (until that moment the Congress was made of 240 congressmen, a bicameral one with 100% more congressmen than the actual single-chamber); he had the people support but not the Congress. In his initial months in the government, he won the antipathy of the senators and deputies, especially those of the APRA party, when he decided to begin a persecution to the last president of APRA

Alan García. The objective of Fujimori was to try to prosecute President Garcia, because of numerous demands of possible illegal enrichment by him. It is important to state that one of the determinants of Fujimori's election was the APRA's vote endorsement, one of the few organized political parties with a party vote. The element that is not clear until now is if there was an explicit agreement between APRA and Cambio 90 or if only their position against the right took the ex president Garcia to openly ask his supporters to lean towards the candidacy of Fujimori in the second election round.

The government policies found a recalcitrant and jealous opposition by the legislators, principally in the defense issue, where the government had great eagerness to fight Shining Path. The second visit of president Fujimori to the Congress is still remembered because of the public holidays of 1991; his speech was constantly interrupted by insults and shelves (a very common act through the republican life).

The tension between the government and the legislative increased for the summer of 1992 with the approval in the Congress of the Government Control Law of the normative acts of the president. This law permitted the congress to establish control over the presidential attributions to "dictate extraordinary measures in economic and financial subjects, dictate orders with the category of decrees, celebrate or ratify international treaties and order the exception states contemplated in the article 231 of the Constitution".

Between the first and second round of the electoral process of 1990, the ex-captain of the army and practicing lawyer Vladimiro Montesinos Torres reached the environment of Alberto Fujimori. He was later going to become Fujimori's intelligence adviser. It is said that Montesinos was expelled from the army for selling secret state information to the CIA; he was a prohibited person in the Peruvian headquarters and decided to work as a lawyer by defending drug dealers. However, he was recognized for his ability to solve legal problems due to his contacts in the judicial power.

The presence of Vladimiro Montesinos in the presidential environment is the clue to understand the actual political situation and the historical events that have been occurring in the last 10 years.

A hypothesis states that the presence of Vladimiro Montesinos in the presidential circle and the lack of governability of the country due to the parliamentary opposition were factors to establish the beginning of an alliance between Fujimorism and the Army Forces which lasted till the last year of his office, with the presence of an army cupola in power. This alliance began in 1992, when president Fujimori supported by the Army Forces decided to dissolve the Republican Congress and created the Emergency and National Reconstruction Government.

The action was definitely antidemocratic and produced the rejection of the international community, but it had not only the population support but also the approval of almost all Peruvian spheres. The first surveys gave Fujimori's measure a rating approval of 85% and only the pressures exerted from Washington –in fact, Fujimori went to Washington to explain the conditions of lack of governability which forced him to close the parliament - compelled Fujimori to make a compromise to establish a calendar for the restoration of democracy, in other words, the restoration of democratic institutions.

This is one of the moments of greater popularity for Fujimori, moment reinforced by the capture of the head of the terrorist movement Shining Path, guilty of 25 000 deaths in Peru by the terrorist attacks. In consequence, this was the beginning of the end of the war against subversion.

It is also important to notice, that the terrorist movement and the economical crisis were the elements that almost eliminated people capacity of organization and citizenship protest; the elimination of pressure groups favored Fujimori in the application of anti social policies, he was able then to govern without any population reactions.

By the end of the subversive crisis, a junction of the first achievements of economic stabilization occurred in 1993. It is in this year that the Democratic Constituent Congress (CCD) is conformed, a unicameral parliament of 120 members that pursued the building of “a modern constitution in accordance with the interests of the country”. The CCD was made of an official majority and since the beginning it tried to achieve the constitutional mechanisms to allow a reelection of president Fujimori. From here on, Fujimori was always a presidential candidate.

The opposition of some sectors like academicians, traditional political parties and compromised sectors with the political process in Peru towards the presidential reelection (that until then was prohibited in the legislation) contributed to the use of direct democratic participation mechanisms like the referendum. Finally, the majority of the population approved the Constitution of 1993 which included the “package” of the reelection.

Fujimori was reelected with 64.4% in the first round against the 22.8 % of its competitor Javier Perez de Cuellar, an undoubted victory. It is this popularity the one that gave him space to take decisions in a vertical way, besides he also had the majority of the congress (67/120). The congress in that period can be considered the first congress in which the majority of the members were “new faces” in politics, with a technocrat speech far away from that of traditional politicians.

It is during the re-election eagerness of Fujimori when the first conflicts against the regime began. It is at this stage that the great network of control necessary to control all the media and pressure groups became visible. The main purpose was to guarantee a second re-election for Fujimori without any uncontrollable reactions.

In this direction, important events took place. One example is the case of the television broadcasting Channel 2. When this broadcasting enterprise decided to criticize the government, this one intervened it and took away the Peruvian nationality of its president Baruch Ivcher (of Jewish origin), then the government gave the management of the enterprise to the Winter brothers (minority stockholders). From here on, channel 2 became the propaganda tribune of the government and the tribune of attack to its detractors.

Another case related to media is the propagation of low budget newspapers directed to the lowest sectors of the population called “chicha” newspapers. These newspapers were openly controlled by the government and had the intention of keeping their public informed in an incorrect way usually criticizing the government’s detractors.

Also, institutions that in an initial stage were considered an example of efficiency in the public administration like the Superintendencia Nacional de Administración Tributaria, (SUNAT - Tax Collector) were used as an instrument of attack and coercion to the citizens or institutions that adopted attitudes against the government.

All these actions, that few years ago were only speculations and presumptions of the behavior of the government, now are completely confirmed by the appearance in videotapes of the adviser Vladimiro Montesinos, the executor of the corruption acts by the government. He can be seen in reunions with important congressmen, businessmen, functionaries, etc.

Speculating, it can be said that two were the facts that started the opposition to the regime, at least in the informed sectors of the citizens. First, the Law of Authentic Interpretation that enabled Fujimori to run for a constitutionally dubious third term. This was based on the interpretation of the words used in the article that allowed only one re-election in the Constitution approved on 1993. The majority of the congress that supported Fujimori sacked three members of the Constitutional Tribunal that held that the law was unconstitutional. On the other hand, a civil organisation called Foro Democrático, promoted a referendum that would allow the people to decide on Fujimori's re-election. But as the president's popularity was low, the congress passed a law that required the back up of at least 40 congressmen for a referendum to be held. The Congress that had a majority backing Fujimori did not approve the referendum.

It is also important to mention that several human rights violations were amnestied by law, such as the assassination of 9 students and a teacher of the Universidad La Cantuta and a massacre in a quarter called Barrios Altos; these were again in the interest of the informed public. Other violations took place during Fujimori's second term, such as the torture of Leonor La Rosa, an intelligence agent, and the assassination of Mariella Barreto, another agent, events that caused the reaction of some civilian groups.

Citizen's participation in protests and political rallies, which had ceased because of terrorism and Fujimori's popularity, began once again. State institutions continued to be used as co-action tools by the government. Moreover, the government used State Funds that came mainly from privatisation, in a populist way to get the approval of the poor. Now there are indications of State funds being used in the re-election campaign of Fujimori.

For the general elections for the 2000 - 2005 period, the candidate and president Alberto Fujimori had important support of the different groups, mainly because of his spending scheme and the backing of the Armed Forces. There was a clear distinction between those supporting the re-election and the ones that opposed the regime. Most of the latter did not care about whom was to be elected; they were committed to not allowing Fujimori's re-election.

The opposition candidates took turns in people's preferences. Near the election date, Alejandro Toledo took the first place among the opposition candidates. This was due to a re-alignment in the opposition groups that backed Toledo's candidature.

However, the electoral process was plagued of irregularities. For many, the use of the State institutions and the Armed Forces back up for Fujimori's candidature was clear. There was also a major incident that involved the inscription of one of the political parties that formed the government coalition. It was found that it had forged a million firms to get the Electoral Authority's approval to take part in the election. Moreover, the tabloids known as "Prensa Chicha", that were said to be manipulated by the National Intelligence Service (SIN), made fierce attacks on the opposition candidates.

Because of the process irregularities, international observers withdrawn and did not guaranteed the elections. When the ballots were closed, the unofficial surveys suggested that Toledo had won, but as the hours went by the official recounts gave the lead to Fujimori. It was clear that he had not reached the absolute majority needed, but suspiciously he got closer as more votes were counted. This caused massive street protests and rallies which latter were said to have prevented the government to continue with their strategy and win without a run off.

The opposition candidate, Alejandro Toledo, did not want to participate in the run off because of the process irregularities, so he chose to try boycotting the election. Nevertheless, the run off was held and Fujimori was proclaimed a winner. After the re-election, Alejandro Toledo became the opposition leader and called for a series of protests. The biggest one was called the "Marcha de los Cuatro Suyos" that took place on July 27<sup>th</sup> and 28<sup>th</sup> trying to obstruct Fujimori's assumption of office for a third term.

The political climate became more stable on the two following months, but protests continued were mainly students were involved. The airing of a videotape showing intelligence advisor, Vladimiro Montesinos, bribing an opposition congressman to join the government's parliamentary group ended this climate. This videotape signalled the beginning of the end for the regime. That congressman was not the only one to switch sides, and the group was known popularly as "Transfugas".

Besides causing the outrage of the public, it also caused the division of the government. President Fujimori and his ministers chose to withdraw counsellor Montesinos from the presidential environment, but he refused to leave the post. That is what made evident the size of his power and his alliance with the military chiefs he had appointed in the past.

After that, and foreseeing a possible political crisis, President Fujimori decided to call for a new election, to dismiss intelligence advisor Vladimiro Montesinos and to close the National Intelligence Agency (SIN). He stated that he would stay in office until the elections were held. These were scheduled later for April 8<sup>th</sup>, 2001.

Because of the crisis, Fujimori tried to blame all the responsibility on Montesinos before public eyes. The advisor was said to have worked alone on the implementation of the corruption net of the countries institutions. Therefore, the President was seen on a spectacular chase of the former advisor. He broke into Montesino's houses and confiscated several suitcases, which contained the now famous Vladivideos.

President Fujimori left the country heading to Asia. On his way back he chose to stay in Japan where he sent a letter of resignation through fax. The Congress did not accept his resignation and dismissed him from the presidency for the charge of moral incapacity. The first and second Vice-presidents resigned to their right to take office, so the post

passed on the Congress Speaker, Valentín Paniagua. Mr. Paniagua is member and General Secretary of Acción Popular, a traditional Peruvian political party, and has a long political career. The transitory government was installed and it is due to July 28<sup>th</sup>, when the next elected president will take office.

The main task of the current Government is to ensure fair presidential and parliamentary elections and to dismount the corruption web knitted by Vladimiro Montesinos, as well as ceasing his control over the country's institutions. The latter include the military forces, and several Superintendences, such as the Tax and Customs ones.

#### 4. Annexes

##### **Chronology of Important Facts**

April 1990	First round; winner with less than 50%: Mario Vargas Llosa (Vargas Llosa 37.6%, Fujimori 24.6%).
June 1990	Second Round: Vargas Llosa 33.9%; Fujimori 56.5%. Engineer Alberto Fujimori, a complete unknown is elected president of Peru.
August 8 <sup>th</sup> , 1990	Hurtado Miller Economic Shock.
October 3 <sup>rd</sup> , 1991	Barrios Altos' massacre.
November 12 <sup>th</sup> , 1991	Law that gives the president the faculty of commissioning the head directors of the different branches of the Armed Forces. These head directors will no longer had to retire in the period established previously.
April 1992	Population support to the self inflicted “coup de état” , 80%.
April 5 <sup>th</sup> , 1992	Opposition had the majority in Congress. Dissolution of Congress.
April 13 <sup>th</sup> 1992	OAS (OEA) Chancellors met in D.C. They rejected the self inflicted “coup de état” by unanimity.
May 1992	Fujimori travels to Barbados to the OAS assembly. He convokes an election for the CCD.
July 18 <sup>th</sup> 1992	Cantuta's massacre.
September 12 <sup>th</sup> 1992	Abimael Guzman capture.
November 1992	CCD
November 13 <sup>th</sup> 1992	Failure of Salinas at coup attempt.
October 1993	Referendum for the approval of the new Political Constitution, which allowed re-election.
October 31 <sup>st</sup> 1993	Approval of Constitution and re-election: 52% versus 48%.
May 10 <sup>th</sup> 1995	Law 26452 required signatures for the inscriptions of new political parties: 5% of the electoral roll.
June 14 <sup>th</sup> 1995	Congress approves the Reconciliation Law. By this law, the members of the Armed Forces and National Police accused of



	human right violations since the government of Fujimori were condoned.
November 12 <sup>th</sup> 1995	Municipal Elections. Alberto Andrade 52.2%, Jaime Yoshiyama 47.8%. First loss of Fujimori.
August 16 <sup>th</sup> 1996	“Vaticano” accused Montesinos of receiving drug dealing payments.
August 23 <sup>rd</sup> 1996	Law 26657 of authentic interpretation: Pursue of re-re-election.
October 1996	Montesinos exhibits himself for the first time with the tsar of drugs Barry McCaffrey.
October 1996	Beginning of the systematic campaign towards the defense of Montesino’s image.
November 1996	First time that the disapproval of the presidential management is higher than the approval rating.
November 26 <sup>th</sup> 1996	Kidnapping of General Rodolfo Robles.
December 18 <sup>th</sup> 1996	A MRTA command assaulted the residence of the Japanese Ambassador.
January 3 <sup>rd</sup> 1997	The Tribunal of Constitutional Securities states that law of authentic interpretation is inapplicable.
March 30 <sup>th</sup> 1997	The body of the agent Mariella Barreto of the National Intelligence Service, is found quartered.
April 1997	Frecuencia Latina presents evidence of Vladimiro Montesino’s tax declaration.
April 1997	A tortured agent of the National Intelligence Service, Leonor La Rosa, confirms in front of the TV cameras of Frecuencia Latina the existence of the Bermuda Plan, Naval Plan and El Pino Plan.
April 22 <sup>nd</sup> 1997	Rescue of the hostages: Chavín de Huantar Operation.
May 1997	Congress approves a Constitutional Accusation against the three members of the Tribunal of Constitutional Securities that were dismissed.
June 1997	During the OAS (OEA) assembly, workers, students and political parties of the opposition went out to the streets to show rejection against the government for the first time in many years.
July 13 <sup>th</sup> 1997	Frecuencia Latina revealed the massive telephonical interceptions made by SIN: “Chuponeo”.

- September 9<sup>th</sup> 1997 A group of mayor riders from Huancavelica arrives to Lima complaining against centralism.
- September 15<sup>th</sup> 1997 After taking away Baruch Ivcher's nationality Frecuencia Latina is expropriated.
- August 20<sup>th</sup> 1998 Hermoza Rios was relieved from it's duty.
- September 1998 Congress promulgates law 26592 (Siura Law) by which, besides all the required signatures for the referendum, 48 congressmen votes were needed.
- September 1998 Foro Democrático presented more than a million and a half signatures (the stipulated by the Constitution of Fujimori) necessary to make a referendum about the re-re-election.
- September 1998 Demonstrations of opposition to the government in the capital, Iquitos, Cuzco, Cajamarca, Puno, Trujillo, Tacna, Juliaca y Cerro de Pasco.
- September 30<sup>th</sup> 1998 A march of workers and students found suspiciously an unprotected Government Palace.
- October 1998 Municipal elections: Alberto Andrade 59%, Hurtado Miller 32%.
- October 26<sup>th</sup>, 1998 Sign of peace with Ecuador.
- December 1998 Closing of the TV program "En Persona" led by the journalist Cesar Hildebrant in Red Global.
- May 3rd 1999 Resignation pronouncement of Nicolás Lúcar, director of the TV program "La Revista Dominical" of America Television, a week after the presentation of an interview without his consent.
- June 1<sup>st</sup> 1999 A TV journalist program in Red Global is canceled minutes before its first appearance. This TV program had in his lines many journalists that renounced to the Revista Dominical.
- July 14<sup>th</sup> 1999 "Feliciano's" capture.
- August 1999 The political TV shows have almost disappeared while the talk shows programs experienced a boom.
- September 7<sup>th</sup> 1992 The Supreme Council of Military Service (CSJM)accused some journalists of the Free Press Association for using secret documentation. This accusation is made to the National Jury of Elections.

- December 15<sup>th</sup> 1999 Newspaper “Liberación” discovers Montesinos’s tax declaration in which appeared millionaire revenues.
- December 16<sup>th</sup> 1999 Jaime de Althaus, press director of CCN (News Cable Channel), quits because of incompatibility with the channel’s news line.
- January 10<sup>th</sup> 2000 Inscription of eleven presidential candidates.
- January 24<sup>th</sup> 2000 Miguel Aljovin, the Attorney General, shelves the investigation of Montesinos revenues.
- January 26<sup>th</sup> 2000 Congressman Jorge Del Castillo files a new accusation for money laundry against Vladimiro Montesinos.
- January 30<sup>th</sup> 2000 National Jury of Elections detect 50 thousand diseased electors. The National Electoral Processing Organization (ONPE) extends the cleansing process until February the 15<sup>th</sup>.
- February 14<sup>th</sup> 2000 The Transport, Communication, Housing and Construction Minister, Alberto Pandolfi announces the opening of inscriptions for PROFAM.
- February 17<sup>th</sup> 2000 Radio equipment from 1160 is seized. This radio stations belongs to Genaro Delgado Parker.
- February 21<sup>st</sup> 2000 Newspaper La Republica denounces the participation of the National Intelligence Service (SIN) and of the National Police in the electoral campaign of Peru 2000.
- February 27<sup>th</sup> 2000 The forging of a million signatures for Peru al 2000, a member of the government’s coalition is denounced.
- March 1<sup>st</sup> 2000 The ad hoc Attorney Mirtha Trabuco confiscates ONPE’s registration sheets.
- March 1<sup>st</sup> 2000 The National Jury of Elections (JNE) and ONPE that they will not investigate the forging of signatures.
- March 13<sup>th</sup> 2000 Minister Pandolfi announces that people that qualified for PROFAM will have a guaranteed share of land.
- March 16<sup>th</sup> 2000 Frente Independiente Peru al 2000 retires from the government’s coalition. Oscar Medellius and Daniel Chuan retire their candidacies for a seat in congress.
- April 9<sup>th</sup> 2000 Elections are held. Fujimori and Toledo go to a run off.
- April 10<sup>th</sup> 2000 The head of the Electoral Observers Mission of the OAS (OEA), Eduardo Stein, warns about problems in the electoral simulations. ONPE computing system does not work properly.

- April 30<sup>th</sup> 2000      ONPE finished the vote count. Alberto Fujimori 49.87%,  
Alejandro Toledo 40.24%.
- May 8<sup>th</sup> 2000        ONPE’s audit program confirms the adulteration of preferential  
votes.
- May 23<sup>rd</sup> 2000      TRANSPARENCIA quits as a run off observer.

**List of people interviewed**

**List of Groups and Description of the Categories**

<b>Group</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
1	High Ranking Civil Servants	6	16.22
2	Successful Entrepreneurs	6	16.22
3	Senior judges or lawyers	5	13.51
4	Long-standing parliamentarians or Equivalent	4	10.81
5	Academics, Consultant or Policy Advisors	7	18.92
6	Heads of Local NGO's	4	10.81
7	Editors or reporters from the Media	5	13.51
<b>Total</b>		<b>37</b>	<b>100</b>